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ABSTRACT

This report reviews the progress of demonstration projects that reduce refugee welfare dependency, promote earlier refugee employment and self-sufficiency, and foster coordination among public and private agencies that work with refugees. The projects used the following three methods: (1) removing welfare provisions that took away some cash assistance upon employment; (2) expanding the voluntary agency role in providing refugee case management services and cash assistance previously managed by the State Welfare Department; and (3) providing a full range of refugee services through individual voluntary agencies instead of providing each service separately through government entities. Three demonstration programs have been implemented and progress has been slower than expected. They lack the proper funding levels, and there is little incentive for the agencies involved to accommodate alternative approaches that put them in competition with existing programs for funding. Difficulties have surfaced in obtaining workable agreements to spread the roles and responsibilities among public and private agencies. Two of the projects are still incomplete and they may ultimately be shown to be successful. No additional projects are recommended. (VM)

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United States General Accounting Office

GAO

Report to the Chairmen, Committee on the Judiciary, U.S. Senate and Committee on the Judiciary, House of Representatives

February 1988

REFUGEE PROGRAM

Status of Early Employment Demonstration Projects

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United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

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February 3, 1988

The Honorable Joseph R. Biden
Chairman, Committee on the Judiciary
United States Senate

The Honorable Peter W. Rodino, Jr.
Chairman, Committee on the Judiciary
House of Representatives

Public Law 97-363 required us to annually audit funds expended under the Department of State's refugee reception and placement program. This is the third report we have prepared pursuant to that legislation. As outlined in correspondence with the House and Senate Judiciary Committees, this report discusses refugee demonstration projects initiated in fiscal year 1985 by the Departments of State and Health and Human Services which were intended to improve refugee self-sufficiency through earlier refugee employment.

We are sending copies of this report to the Director, Office of Management and Budget; the Secretaries of State and of Health and Human Services; the U.S. Coordinator for Refugee Affairs; and the state refugee coordinators for California, Oregon, and Illinois.

Frank C. Conahan

Frank C. Conahan
Assistant Comptroller General

Executive Summary

Purpose

Congress and the executive branch have been concerned over the prolonged welfare dependency of many refugees and the effectiveness of federal, state, and private efforts to move them toward employment and self-sufficiency. In an attempt to identify more effective alternatives to cash and medical assistance and social services programs for refugees, Congress authorized both the Departments of Health and Human Services (HHS) and State to fund demonstration projects. GAO is required by the Refugee Assistance Amendments Act of 1982 (Public Law 97-363) to audit the refugee reception and placement program. The objectives of GAO's review were to determine

- how the demonstration projects were designed to reduce refugee welfare dependency, promote earlier refugee employment and self-sufficiency, and foster greater coordination among various public and private agency efforts;
- results of the demonstration projects to date; and
- the status of the process for approving additional demonstration projects.

Background

There are two major domestic programs for placing and resettling refugees: (1) per capita grants made by the State Department to private voluntary agencies for initial reception and placement of refugees and (2) federal reimbursement through HHS for state costs for cash and medical assistance, and social services for up to 36 months (reduced to 31 months in March 1986) after a refugee's arrival in the United States.

In 1982, Congress amended the Refugee Act of 1980 (Public Law 97-393) to clarify that federal assistance should be temporary and that refugees should be encouraged to find employment as soon as possible after their arrival in the United States.

In October 1984, Congress passed the Wilson/Fish Amendment to the Immigration and Nationality Act (8 U.S.C. 1522 (e)) directing the Secretary of HHS to develop and implement alternative refugee resettlement programs which would encourage self-sufficiency, reduce welfare dependency, and foster greater coordination among resettlement agencies and service providers. This alternative refugee resettlement program must be funded within existing budgetary limits. Under this authority, in May 1985 HHS's Office of Refugee Resettlement approved 3-year demonstration projects in California and Portland, Oregon. In June 1985, HHS initiated a project application process, noting that it was willing to fund up to 9 new projects per year.

The Department of State, under its reception and placement program, funded a demonstration project beginning in September 1984 in Chicago, Illinois. The project, which was terminated in March 1986, was managed by six voluntary agencies. The Department has been authorized under the Refugee Assistance Extension Act of 1986 (Public Law 99-605) to fund other enhanced reception and placement efforts, including demonstration projects.

The projects were to demonstrate that more refugees could become employed and self-sufficient sooner by (1) removing welfare provisions that took away some cash assistance upon employment (California), (2) expanding the voluntary agency role in providing refugee case management services and cash assistance previously managed by the state welfare department (Portland), and (3) providing a full range of refugee services through individual voluntary agencies instead of providing each service separately through state and local government entities (Chicago).

Results in Brief

The development of alternative approaches to refugee resettlement through these major demonstration projects has been slower than intended. The causes for this slow progress include the lack of funds and the limited incentives for public and private agencies to accommodate alternative approaches which compete with existing programs for funding, and the difficulty in obtaining workable agreements on revising project roles and responsibilities among public and private agencies.

The three demonstration projects funded to date have shown varied progress in meeting their objectives of increasing refugee employment and self-sufficiency. Neither the Department of State nor HHS have approved any new projects for over 2 years. The State Department has no current plans or funding for additional projects. HHS has not been able to approve any of the 11 project proposals it has received as being in conformance with HHS application process criteria.

GAO's Analysis

Project Results

GAO's review of three demonstration projects funded so far showed the following results:

- All three projects were intended to demonstrate alternative approaches to existing systems that provide reception and resettlement services to refugees. They all attempted to measure the accomplishment of project goals in terms of employment rates and reduction of welfare expenditures and/or dependency rates.
- Data on the results have been varied and incomplete. In Portland, the first year goal of employing 25 percent of employable refugees within 6 months was achieved. In California, the state reported that more refugees were working than previously. However, data through fiscal year 1986 showed that placements and welfare savings were below initial projections and the completeness and accuracy of that data were questionable. In Chicago, 47 percent of employable refugees were placed in jobs within 6 months of arrival compared with the goal of 75 percent but a contract evaluation provided evidence that more refugees were employed and the number of refugees on welfare was reduced, compared with refugees arriving in the year prior to the project.
- In the planning and implementation of these projects, there was continuing debate over objectives and roles and responsibilities among the several public and private agencies involved. The developing and planning of the alternative approaches were directly affected by the extent to which coordination among federal, state, and voluntary agencies was achieved. For example, in Portland prior agreement among the involved public and private agencies assisted project implementation while in Chicago the lack of such prior agreement required additional efforts during project implementation to finalize project design.

No New Projects Approved

From its review of the process for starting additional projects, GAO found the following:

- The Department of State is able to fund demonstration projects only within the budget of its regular reception and placement program. No such funds have been made available since the Chicago project and there are no current plans for new projects.
- The HHS program provides no additional funds to implement alternatives to existing refugee resettlement programs. This limits incentives for states to propose new projects which could reallocate public and private agencies' shares of existing funding.
- Eleven project proposals have been submitted to HHS since June 1985 and none have been approved. Generally they did not meet one or more of the HHS criteria for project approval.

Since evaluations of the California and Portland projects are incomplete, it may be too early to be concerned that no additional projects for alternative refugee resettlement have been funded. If these on-going projects are ultimately shown to be successful, then disincentives for new projects will need to be addressed, such as the difficulty of implementing new strategies within existing funds when ongoing programs must be modified or displaced.

Recommendations

This report provides GAO's analysis of the refugee demonstration projects initiated in fiscal year 1985; it does not contain any recommendations.

Agency Comments

The Departments of State and HHS and the State Refugee Coordinator for Illinois provided written comments on a draft of GAO's report. (See apps. I and II.) The State Refugee Coordinators for California and Oregon provided oral comments. The comments were generally of a technical nature and for the most part were incorporated into the final report.

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Abbreviations

AFDC	Aid to Families with Dependent Children
GAO	General Accounting Office
HHS	Department of Health and Human Services
MAA	Refugee Mutual Assistance Association
ORR	Office of Refugee Resettlement
SSI	Supplemental Security Income
VOLAG	Voluntary Agency

Introduction

This is the third in a series of reports pursuant to the Refugee Assistance Amendments Act of 1982 (Public Law 97-363) which required us to annually audit the Department of State-funded refugee reception and placement program. This report provides a status report on the three demonstration projects funded by the Departments of State and Health and Human Services (HHS) to promote improved refugee self-sufficiency through employment. These projects were initiated during fiscal year 1985 and two have continued during fiscal year 1987.

Background

Reception and placement is the initial domestic effort in the process of assisting refugees to resettle in the United States. During their first 90 days in the United States, refugees are provided basic needs and services, including food, housing, and clothing, by voluntary agencies using funds provided under per capita grants from the Department of State. Longer term assistance is available to refugees under programs funded by HHS through state and local governments, voluntary agencies (VOLAGS), refugee mutual assistance associations (MAAS), and other public and private organizations.

A central objective of these programs, and the intent of Congress in authorizing them under the Refugee Act of 1980 (Public Law 96-212) and subsequent amendments, is to assist refugees to be self-sufficient through employment as soon as feasible after arrival in the United States.

As table 1.1 shows, over 1 million refugees, including about 800,000 from Southeast Asia, arrived in the United States from fiscal year 1975 through fiscal year 1986.

Table 1.1: Refugee Arrivals in the United States

	Fiscal years			
Region of origin	**1975-1984**	**1985**	**1986**	**Total**
Africa	11,795	1,953	1,312	**15,060**
Southeast Asia	713,923	49,970	45,463	**809,356**
Eastern Europe and Soviet Union	159,680	9,990	9,193	**178,863**
Latin America	29,109	138	130	**29,377**
Near East	23,134	5,994	5,859	**34,987**
Total	**937,641**	**68,045**	**61,957**	**1,067,643**

The process of resettlement can take time and be both complex and difficult, according to a January 1986 report to the Congress by HHS' Office

of Refugee Resettlement (ORR). The report notes that refugees often face significant problems upon arrival but that over time they increasingly seek and find jobs. Pursuit of employment and eventual self-sufficiency is affected by such factors as language competence, education and skills, job opportunities, household size and disincentives to employment under welfare programs, among others. The complexity of the resettlement process is shown by the structure of the federally funded programs designed to assist in that process, as illustrated in figure 1.1.

The initial reception and placement of refugees is administered by the Bureau for Refugee Programs in the Department of State and is carried out by 11 VOLAGS (13 VOLAGS in fiscal years 1985 and 1986) and one state (Iowa) under the Bureau's Reception and Placement Cooperative Agreement. In fiscal year 1986 the agencies received a grant of $560 per refugee to supplement their self-generated funds. (In fiscal year 1987 the per capita grant went up to $600 but is again $560 for fiscal year 1988.) According to section 1.1 of the cooperative agreement, the voluntary agencies are to comply with the purpose and goals of the program which state that:

"a. The purpose of this agreement is to provide for the initial reception and placement of refugees in the United States by ensuring that refugees approved for admission are sponsored and offered appropriate assistance in their initial resettlement in the United States.

"b. The goals of this agreement include, but are not limited to, assisting refugees in achieving economic self-sufficiency through employment as soon as possible after their arrival in the United States in coordination with publicly supported refugee service and assistance programs, and precluding any necessity for reliance by refugees on cash assistance authorized under section 412 (e) of the INA [Immigration and Nationality Act] during the first 30 days they are in the United States.

"A voluntary agency shall provide core services to any refugee assigned to it during the first ninety [90] day period after the refugee's arrival in the United States. The exception to this time period is the provision of basic needs support such as housing, food, furniture, clothing, and transportation to job interviews for which the voluntary agency is responsible for a period of not less than thirty days after arrival..."

ORR has been responsible for the majority of federally funded programs which, through state-administered refugee resettlement programs, provide refugees with cash and medical assistance as well as social services emphasizing language and job training and placement. The states are required to designate an official to be in charge of these programs and

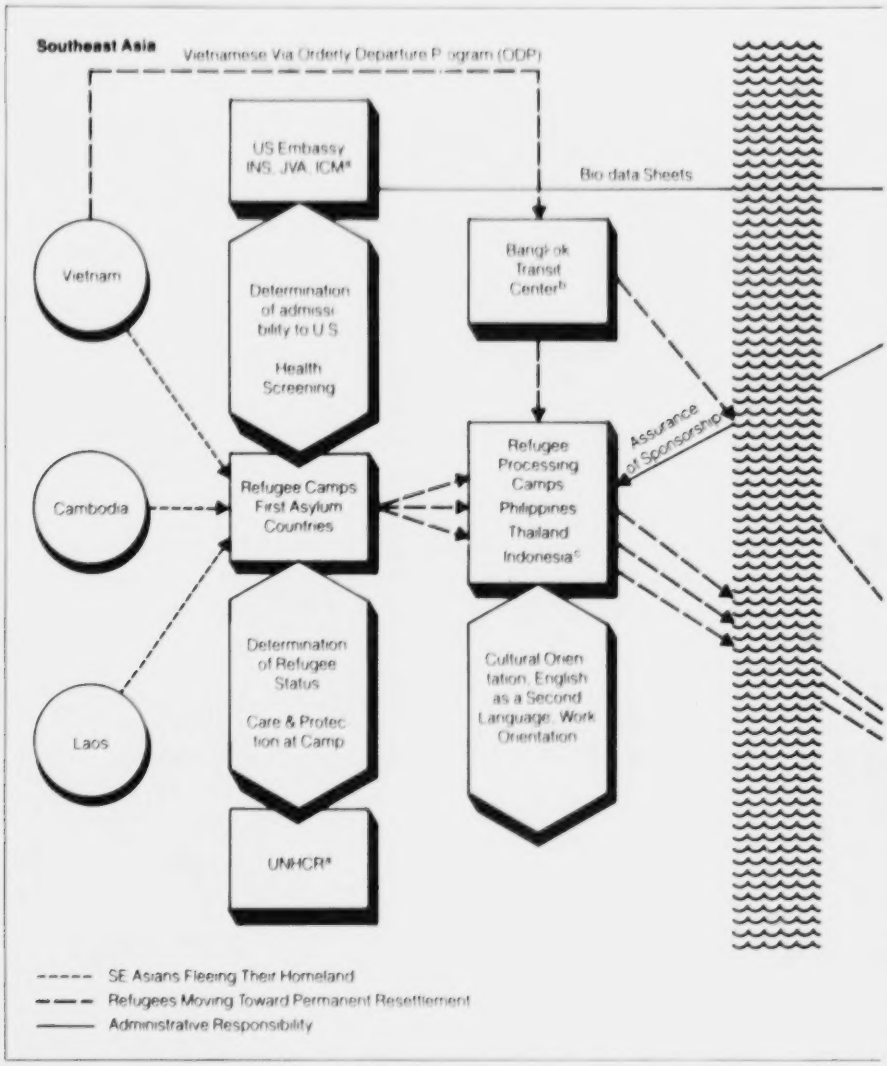
responsible for coordinating public and private refugee resettlement activities.

Special reimbursement is provided by ORR to states for up to 31 months (36 months until March 1986) for refugees for the state's share of Aid to Families with Dependent Children (AFDC), Medicaid, and the state supplementation to Supplemental Security Income (SSI). ORR does the same for up to 18 months for cash and medical assistance to needy refugees who do not qualify for AFDC, SSI, or Medicaid. ORR also reimburses states for the cost of providing general assistance to refugees for up to 13 months after a refugee's initial 18 months in the United States. While ORR allocates social service funds based upon the population in the state in which the refugee has arrived in the United States during the previous 3 years, no federal time limit has been placed on receipt of services.

ORR also funds a matching grant program with voluntary agencies for the resettlement of Soviet and other refugees with programs complementary to those of the Department of State's reception and placement program. ORR also provides funds to the Public Health Service for refugee health screening and, up until fiscal year 1987, provided funds to the Department of Education for special education services to refugee children. Refugees are also eligible for food stamps. According to ORR, about 57.4 percent of refugees who had been in the United States for 31 months or less were receiving some form of cash assistance at the end of fiscal year 1986.

Table 1.2 shows the estimated federal cost for these programs for fiscal years 1985 and 1986.

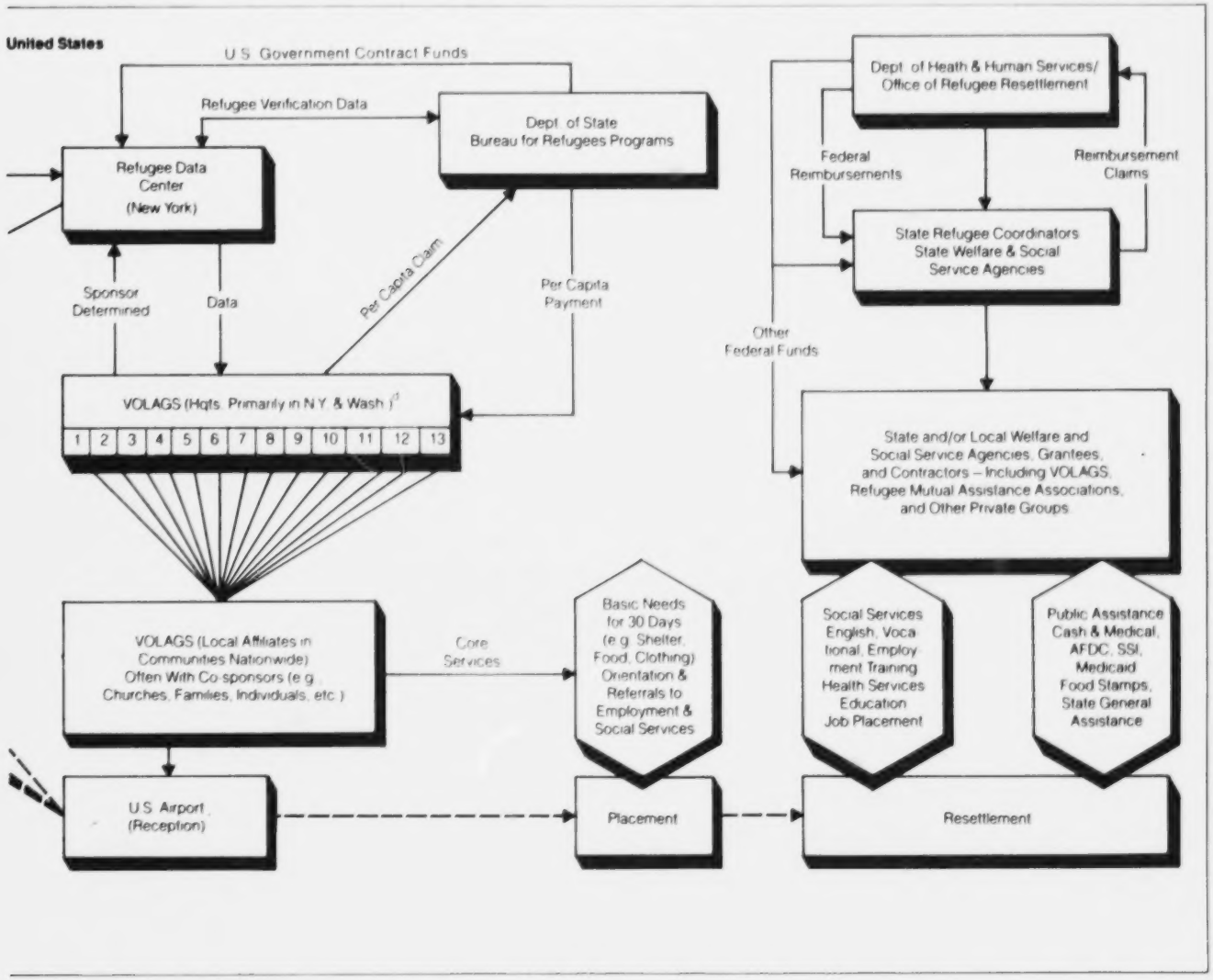
Figure 1.1: Indochinese Refugee Resettlement Process Including International and Domestic Organizational Responsibilities



[a]Under U.S. contract the American Joint Voluntary Agency (JVA) makes first U.S. contact with and prescreens for admissibility persons declared refugees by the United Nations High Commissioner for Refugees (UNHCR). Embassy personnel review data for presentation to officials of the U.S. Immigration and Naturalization Service (INS) who make final determination on admissibility. The Intergovernmental Committee on Migration (ICM) provides health screening and arranges for air transportation.

[b]Some ODP refugees are flown directly to the United States from Bangkok.

[c]The Indonesia Refugee Processing Camp was closed in fiscal year 1986.



[1]In 1985 and 1986, 13 voluntary agencies (VOLAGS) and 1 state (Iowa) had cooperative agreements with the Department of State to participate in the initial reception and placement of refugees in the United States, for which they were paid $560 per refugee (per capita grant).

Source: GAO in consultation with the Department of State, Bureau for Refugee Programs, and HHS, Office of Refugee Resettlement.

Table 1.2: Estimated Costs of Moving and Resettling Refugees

Dollars in millions

Agency	Fiscal year 1985	Fiscal year 1986
Department of State Bureau for Refugee Programs:		
Voluntary agency services overseas	$15.4	$14.4
Language/orientation programs overseas	18.2	18.8
Transportation loans	31.0	36.4
Reception and place-ment agreements	38.6	35.8
	103.2	105.4
HHS Office of Refugee Resettlement:		
State administered programs		
Cash assistance	136.2	142.7
Medical assistance	95.2	82.6
State administration	43.3	33.8
Social services	71.5	68.2
Targeted assistance[a]	89.0	47.9
Education assistance[b]	21.6	15.9
Preventive health	8.4	7.9
Voluntary agency programs	4.0	3.8
Federal administration	5.8	5.9
	475.0	408.7
Other:		
Aid to Families with Dependent Children[c]	70.6	61.1
Medicaid[c]	45.2	45.3
Supplemental Security Income[c]	8.2	9.5
	124.0	115.9
Department of Agriculture:		
Food Stamps	125.7	112.7
Total	**$827.9**	**$742.7**

[a]Includes $39.0 million carryover from fiscal year 1984.

[b]Includes $4.9 million carryover from fiscal year 1984.

[c]Estimate for first 36 months in the United States for fiscal year 1985. Estimates for fiscal year 1986 reflect reduction from 36 to 31 months of eligibility.

In October 1984, Congress amended the Immigration and Nationality Act (8 U.S.C. 1522 (e)), directing the Secretary of HHS to develop and implement alternative resettlement projects for refugees who have been in the United States less than 36 months. The stated objectives of this amendment (referred to as the Wilson/Fish Amendment) were to (1) encourage refugee self-sufficiency, (2) reduce refugee reliance on public

assistance, and (3) foster greater coordination among voluntary resettlement agencies and service providers.

Pursuant to this legislation, in May 1985, ORR approved demonstration projects for California and for Portland, Oregon. Both projects were developed independently by the states prior to the finalization of ORR regulations for project approval and were implemented during the summer of 1985.

In September 1984, before the passage of the Wilson/Fish Amendment, the Department of State funded a demonstration project designed and implemented by six VOLAGs in Chicago, Illinois, to foster early employment among newly arriving refugees.

Objectives, Scope, and Methodology

Congress amended the Refugee Act of 1980 in 1982 to clarify its intent that assistance should be temporary and that refugees should be encouraged to find employment as soon as possible after their arrival in the United States and to direct us to annually audit funds expended under the Department of State's refugee reception and placement program. In April 1986 we reported on the Department's fiscal year 1984 program, Initial Reception and Placement of New Arrivals Should Be Improved (GAO/NSIAD 86-69). This current review of 1985 and 1986 refugee programs was made to

- determine how demonstration projects were designed to address causes of welfare dependency, promote refugee employment and self-sufficiency, and foster greater coordination among public and private agencies;
- identify results of the demonstration projects to date; and
- describe the status of the process for approving additional demonstration projects.

Since the Department of State program is only one part of a much larger refugee resettlement program, we included in our review two programs funded by HHS through the states. We concentrated our work in the states of California, Oregon, and Illinois which had the three ongoing or recently completed early employment demonstration projects designed to test various refugee program alternatives.

We reviewed pertinent legislation, regulations, studies, and other documentation on the domestic refugee resettlement program. We met with the three state refugee coordinators or their representatives, local VOLAG

officials and refugee groups involved in the demonstration projects and regional ORR representatives in San Francisco, Seattle, and Chicago. We also reviewed selected documents regarding the demonstration projects. Although the California project covers 16 counties with large refugee populations, time and resource constraints limited our onsite work to Los Angeles, Merced, Orange, and San Diego counties.

We also performed audit work at the Washington, D.C., headquarters of the Department of State's Bureau for Refugee Programs, HHS' ORR, and the Office of the U.S. Coordinator for Refugee Affairs. We reviewed the status of proposals submitted to HHS for additional projects under authority of the Wilson/Fish amendment.

Our review was conducted from February 1986 to June 1987 in accordance with generally accepted government auditing standards.

Varied Progress of Refugee Demonstration Projects

The demonstration projects in California, Oregon, and Illinois were designed to test alternative ways of fostering earlier refugee employment and self-sufficiency through more integrated service delivery systems and/or the removal of welfare program disincentives to employment.

The project in California was to demonstrate how refugee self-sufficiency could be enhanced by removing a perceived disincentive for earlier employment—specifically by not terminating a cash assistance benefit when a refugee in the AFDC unemployed parent program works more than 100 hours each month. The stated objectives of the project were to (1) facilitate refugee participation in training and employment, (2) increase the potential for self-sufficiency without forfeiting grants and benefits, and (3) reduce long-term program costs through grant reductions. Those state and local governments and private agencies providing refugee assistance and services were not changed by the project, although their roles and responsibilities were altered. However, California and ORR had not reached agreement on how to measure the results of the project. ORR wanted one of the performance measures for the project to be the number of refugees who became self-sufficient. The state disagreed with this and proposed instead that performance be judged by the number of refugees who became employed. In addition, the contract evaluator of the project noted that the means for gathering data on results was not clear and the utility of data reported to date was questionable.

The Portland project, using an existing network of VOLAG and public agencies, called for an expansion of VOLAG roles and responsibilities in providing refugee case management and cash assistance instead of providing such assistance through state welfare offices. The project was supposed to demonstrate that providing refugee assistance outside of the normal welfare system, by the entities actively resettling the refugees, would reduce refugee welfare dependency and the state's overall costs in supporting refugees. The project has reported extensive cooperation and coordination among state and local government entities, VOLAGs, and other community agencies. Preliminary evaluation data indicate that increased refugee employment goals, and reduced program costs and welfare dependency rates were beginning to be achieved.

In Chicago, the VOLAGs receiving Department of State per capita grant assistance initiated a project to provide and coordinate a full range of services, including income support, health care, cash assistance, and employment counseling, for the refugees whom the VOLAGs were to

receive and resettle. Having each VOLAG provide these services in-house rather than separately under the HHS supported state administered program was designed to foster earlier refugee employment. The project began, however, before full agreement was reached on how the project would provide services comparable to those of the Illinois administered programs and how the VOLAG and state programs would be effectively coordinated. Because these policy and procedural problems could not be resolved in a timely manner, optimum demonstration of the service model did not take place. A Department of State-sponsored evaluation of the Chicago project showed that its placement of 47 percent of the employable refugees in jobs within 6 months was short of a 75-percent goal but was an improvement in the employment rates and achieved some overall welfare cost reductions, compared with the experience of refugees assisted prior to the project.

California Project

The California project, approved by ORR in May 1985, targeted all new refugee arrivals who would otherwise have been eligible for the AFDC program and whose heads of households had at least 6 months of eligibility remaining for federal AFDC benefits. In addition, existing AFDC cases in which the head of household had at least one year of eligibility remaining were converted to the project. As of September 1986, 42,072 refugees were enrolled in the project.

The California project made several changes in the way AFDC refugees were served. First, it required that AFDC-recipient refugees be referred to refugee-specific employment services. If these refugees failed to participate without good cause, they would be sanctioned. Prior to the project, AFDC-recipient refugees were registered in a work incentive program but generally were not required to participate in employment-related services. Second, the demonstration project removed supposed cash assistance barriers to employment in the AFDC program and required that AFDC-eligible refugees participate in services and accept job offers as a condition of continuing assistance. Under AFDC rules applicable to unemployed parents with dependent children, refugees who work more than 100 hours per month lose their eligibility for cash and medical assistance. This disincentive was also removed.

ORR's role in the California project is one of oversight and monitoring. Quarterly performance reports are submitted to ORR by the state, and ORR staff review selected project operations. The state coordinator through the Chief, Office of Refugee Services, manages the California project through the county welfare departments and contracts with

other organizations for case management and social services. The Office of Refugee Services is responsible for developing project regulations, budgeting, reporting statistical data, accounting for project funds, and administering the contracts to provide employment and employment-related services to refugees participating in the project. It also administers the overall refugee program in the state.

The project used the existing state administered program. In 1982, California established central intake units in counties with large refugee populations to provide case management services. The units, selected for each county through a competitive bidding process, are responsible for refugee assessment, development of employment plans, referrals to related services, and tracking and responding to progress of the refugee as he/she proceeds toward employment. The central intake unit contract is operated by VOLAGs or MAAs in 7 of the 16 counties involved in the California project, and the remaining units by either county or private agencies.

The county welfare departments are responsible for accepting and processing applications for assistance, determining need and eligibility, providing cash and medical benefits, and referring refugees to the central intake units for mandatory training and employment programs. When refugees do not participate in required training or employment services or refuse appropriate job offers, the county welfare departments are notified by the central intake units. These departments determine whether there was good cause for nonparticipation/noncooperation and impose sanctions, including discontinuing the cash grant, if appropriate.

Disagreement on Project Objectives

Although ORR has approved the continuation of the California project, federal and state officials have disagreed over the project's purpose, appropriate measures of success, and changes needed to achieve better results.

The original goals of the California project included

- for fiscal year 1985, placement of 218 refugees into full-time employment for a project savings of $87,218 and placement of 217 refugees into part-time employment for a project savings of $32,848.
- for fiscal year 1986, placement of 1,516 refugees into full-time employment for a project savings $3,639,336 and placement of 1,515 refugees into part-time employment for a project savings $1,339,650.

California officials told us that they only reluctantly agreed to ORR's request that the original project agreement include quantified goals for employment placements and grant reductions. They maintained that the purpose of the project was to test whether or not (1) the removal of federal AFDC program barriers would increase refugee employment, (2) increased refugee employment would lower the amount of cash assistance grants, and (3) increased employment would improve the potential for refugees to eventually achieve self-sufficiency. On that basis, they stated that it would be unfair to measure the project's success in terms of specific goals for employment placements and grant reductions. A full assessment would have to wait until the contract evaluation was completed in early 1989, after the project is terminated.

ORR and California officials continued to disagree on the use of these specific goals for the second year of the project. In June 1986, ORR officials notified California that it would require quarterly estimates of the number of project recipients expected to achieve economic self-sufficiency (be removed from cash assistance) for July 1, 1986 through June 30, 1987.

California officials responded that such estimates were not included in the original applications because the project's objective was to increase the "potential" for self-sufficiency through increased employment and the assumption was made that refugees would require an average of 6 months of training and job search before being placed in entry-level positions at minimum wage. Therefore, while increased employment should increase the potential for self-sufficiency, it would be difficult to project any expected results. In October 1986, California officials finally agreed to ORR's request while asserting that establishing such goals for evaluation purposes was inappropriate.

ORR regional officials, at that time, noted in an internal office memorandum that, while they found it encouraging that California acknowledged a need to look beyond job entry and to focus on self-sufficiency as a program goal, they were disappointed that California indicated a continued reluctance to have the project evaluated against that goal and were also concerned about the continued lack of reliable self-sufficiency data.

ORR regional officials told us in February 1987 that there was a disagreement with California over the future course of the project, and they believed that changes would have to be made to the project if it was to have a significant effect on refugee self-sufficiency. In oral comments provided on this report, California officials noted that the three major

goals of the project remained the same for both ORR and California but that ORR was seeking a much stronger emphasis on long-term employment strategies in contrast to the original emphasis on rapid employment. California officials felt this was a mid-course change in strategy and objected to it at the time. However, they were willing to and did make many procedural changes to improve the project and since that time, according to California officials, they have adopted many of the suggestions made by ORR.

In February 1987, California officials told us that, based on their project experience to date, achieving refugee self-sufficiency might require a longer term approach with more emphasis on employment-related and language training prior to job entry. They noted that this was the approach being taken in a California welfare reform program—Greater Avenues to Independence. ORR regional officials noted at that time that they believed the state might not continue the refugee demonstration project beyond its scheduled June 1988 termination date. In December 1987, California officials informed us that they have requested an extension of the project through September 30, 1989, and were optimistic about its approval by ORR.

Incomplete Data on Project Results

Our assessment of whether the California Project was meeting its original goals was hampered by the lack of complete and accurate data. Job placement and grant reduction information was not collected systematically from the time the project was first implemented through fiscal year 1986. While California officials have made efforts to improve data collection, only a partial assessment of the status of refugees under the project is possible from the information available through fiscal year 1986. This limited data on job placements and grant reductions indicate that initial goals were not fully met, as shown in table 2.1.

Table 2.1: California Project Job Entry Goals and Achievements

Fiscal years	Job Entries		Percent achieved
	Goal	Achieved	
1985:			
Full time	218	126	57.8
Part time	217	76	35.0
Total	**435**	**202**	
1986:			
Full time	1,516	1,390	91.7
Part time	1,515	867	57.2
Total	**3,031**	**2,257**	

The goals were based on a projected caseload of 11,925 by September 1986, but cases as of that date totaled 10,074 according to the state's quarterly performance report, or about 15 percent below the original projection.

The contractor evaluating the project issued interim reports in August and November 1986. The reports noted that while data drawn principally from the state's existing refugee program management information system suggests that project performance was below initial expectations, a considerable number of issues existed as to the accuracy and usefulness of that information, including problems of definition and data collection. State officials informed us in February 1987 that they were working with the counties to improve data reporting; that project information remained incomplete; and that a full evaluation on the impact of the project on refugee self-sufficiency would have to await the final contract evaluation, scheduled for completion in early 1989. In oral comments on this report, California officials noted that significant improvements have been made in data collection and that preliminary results covering the period through December 1986 should be available in February 1988. They also noted that the final contract evaluation would have to be rescheduled if the project is extended.

Portland Project

Portland targeted needy refugees who would not qualify for AFDC (i.e., members of two parent families, couples without children, and single individuals) or SSI. The project served a total of 822 refugees through September 1986 and as of that date had an enrollment of 595. Oregon had an refugee population eligible for 100-percent federal assistance of 2,354 as of September 30, 1986. Multnomah, Clackamas, and Washington counties participated in the project. These counties make up the

greater Portland area which accounts for approximately 85 percent of the state's refugee population.

ORR's role in the Portland project was the same as in the California project—oversight and monitoring. The Oregon state coordinator administers the project through a management contract with the Portland Community College, which in turn, contracts with the Center for Urban Education, three local VOLAGs, and a refugee association.

The Center For Urban Education coordinates and works with the participating agencies to develop services strategies, train agency staff and maintain the project policy manual. It also monitors the project, facilitates the steering committee meetings, and collects and analyzes project outcome data.

Three local VOLAGs—Sponsors Organized to Assist Refugees, the Lutheran Refugee Program, and the U.S. Catholic Conference determine refugee eligibility for assistance and manage refugees through the services program. The VOLAGs administer case management and make cash and medical eligibility determinations. The roles and responsibilities of the VOLAGs were enhanced by vesting in them increased authority over case management and cash assistance, which were previously managed by the state welfare department.

An MAA, International Refugee Center of Oregon, in cooperation with the VOLAGS, assesses and evaluates refugee job skills and provides vocational, on-the-job training, pre-employment training, and placement and follow-up services to employable refugees.

Objectives, Roles and Responsibilities Clearly Defined

Prior agreement among the Portland project's public and private agencies on clear definitions of objectives, roles, and responsibilities assisted project implementation, although some start-up problems were encountered. The agreements were reached under the auspices of the Oregon state refugee coordinator and, according to project officials, assured an expanded role for VOLAGs and MAAs and allowed for a coordinated approach among themselves and the state in case management, cash assistance, and employment services.

According to the state refugee coordinator, the Emergency Board of the Oregon State Legislature in 1985 amended the state's administrative rules to allow VOLAGs to provide refugee cash assistance outside the normal welfare system. Agreement on the objectives and structure of the

project was achieved through the efforts of the Portland Area Refugee Services Consortium established in 1981, and the state coordinator's office.

The application to ORR was jointly developed by the state and the consortium. It was approved by ORR in May 1985, prior to the adoption of formal rules for the review and approval of Wilson/Fish project applications, and was due to start in June. Final contracts, however, were not signed until late August and the project was not implemented until September 15, 1985.

The project used the existing organizations and contract service providers building upon experience gained prior to the project's implementation and to the passage of the Wilson/Fish Amendment. Project implementation guidance was provided through the consortium. A steering committee was established to insure uniform implementation of project policy and procedures and development of new ones as the need arose. The Center for Urban Education, which had coordinated the consortium's policy committee for over 2 years prior to the start of the project, chaired the steering committee and maintained and updated a manual of project policies and procedures. The VOLAGs involved had been responsible for the reception and placement of about 92 percent of refugee arrivals in the state during fiscal year 1985 and were already providing case management services. In like manner, the International Refugee Center of Oregon was already providing a job services program for Oregon.

An example of the ability of project officials to coordinate their efforts to revise the project occurred when the project faced major policy and procedural changes in February 1986 when Oregon adopted an AFDC unemployed parent program and brought the refugees qualifying for that program under the project. The steering committee and project managers responded with the needed policy changes and implementing procedures. Although the additional requirements were later rescinded, the ability of the steering committee and project managers to quickly agree on and implement policy and procedural changes was cited by ORR and the project evaluation contractor as a positive aspect of the project.

Another positive example of the coordinated efforts of project officials occurred in March 1987, when they raised concerns about the low level of earnings in the primarily entry-level job placements and the need to employ additional members of larger refugee families to further reduce the dependency rate. Also cited were the need to expand training

options and to increase refugee participation in tailoring project services to meet their individual needs. The state refugee coordinator's office noted in May 1987 that efforts to address these concerns and other efforts to improve data collection and management information systems were under review or scheduled for implementation during the spring and summer of 1987.

Project Results Appear Promising

The goals for the Portland project were as follows.

- Placement of 25, 50, and 75 percent of employable clients in full-time, permanent employment (with a minimum 90-day retention rate) within 6, 12, and 18 months of their arrival in the United States, respectively.
- Project outplacement of 63 percent of all participants within 18 months of arrival because their family earnings exceeded program income standards.
- Reduction of the welfare dependency rate for participants from an estimated 80 percent to 50 percent by the end of the project.
- Reduction of the annual cash and medical assistance project costs by a minimum of 5 percent by the end of the third year.

According to Oregon state refugee program officials, the Portland project came close to, and in some cases, exceeded first-year goals, as shown in table 2.2. However, progress toward achieving the goals of a 5-percent reduction in program costs and reduction of the welfare dependency rate of the project's target population to 50 percent has not yet been assessed.

Table 2.2: Portland Project—Selected First-Year Goals and Achievements

	Goal	Actual[a]	Percent
Project participants	786	822	104.6
Full-time job placements	150	210	140.0
Job retention for 90 days	90	87	96.7

[a]Through September 30, 1986

Oregon officials believed they were achieving their goal of placing 25 percent of employable refugees in full-time, permanent positions within 6 months of arrival by the end of fiscal year 1986. Overall, according to these officials, during its first year of operation, the project accomplished 522 job referrals and 379 part-time and full-time job placements. Of the 822 project participants, 595 were enrolled on September 30,

1986; 36 percent were on full cash assistance, 23 percent on partial cash assistance, and 41 percent were on medical assistance only.

While no overall assessment had been completed of cost savings, Oregon officials noted that they and ORR officials have tentatively concluded that there were project savings during the first year of operation. Also, according to state officials, the reduction in the statewide dependency rate from 64.1 percent as of the end of fiscal year 1985 to 50.3 percent as of the end of fiscal year 1986 is interconnected with the project. While the entire decrease of 13.8 percent cannot be attributed to the project, state officials told us in March 1987 that they believe the project had a significant impact, considering that the state's unemployment rate rose from 8 to 9 percent during the same period. The state refugee coordinator informed us in December 1987 that by the end of fiscal year 1987 the project had achieved its goal of reducing the dependency rate below 50 percent. A full assessment of whether the project achieved all its goals has to await completion of the project's third year—fiscal year 1988.

Chicago Project

The Chicago project differed from the Portland and California projects in that it was not a state-administered program. Case management and employment services previously provided separately under the state-administered program were provided by each of six participating VOLAGS. The combination of these services within each VOLAG was intended to provide a more intensive and coordinated approach to resettlement, with increased emphasis on early employment. Case managers in each VOLAG were to control and monitor the provision of income support, health care, core services, needs assessments, and employment plans.

The Chicago project targeted all newly arrived refugees under the sponsorship of the six VOLAGS. A total of 2,258 refugees were included in the demonstration project. Illinois had an eligible refugee population of 8,415 as of September 30, 1985. Counties participating in the project were Cook, Dupage, and Lake.

The project was initiated by VOLAGS in that city in the spring of 1984 and proposed to the Department of State in July of that year. ORR had also been contacted on the project but said it was unlikely that it would be approved by the Director without further development and the formal submission of a detailed application. In August 1984, the Department of

State agreed to fund the project. In late September, cooperative agreements were signed with the national headquarters of the Chicago VOLAGs running the project.

The Chicago project was designed to provide up to 6 months of services to refugees arriving between November 1, 1984 and April 30, 1985. It was later extended through March 1986 to cover refugee arrivals through December 31, 1985, although refugees arriving after October 1, 1985, could not receive the full 6 months of services.

In the Chicago project, the Department of State's Bureau for Refugee Programs administered the project through the VOLAGs' Program Review Committee. ORR was involved only in the Program Review Committee and had no direct role or responsibility in project operations. The Illinois refugee coordinator had no direct authority over the project, although the coordinator was involved in the development of the project and also served on its Program Review Committee.

The six VOLAGs running the project were the Illinois Conference of Churches, Jewish Family and Community Services, Lutheran Child and Family Services, Travelers and Immigrants Aid, Catholic Charities, and World Relief. Refugees were informed by the VOLAGs of the availability of MAA services through the regular state administered program and were referred to them for some services.

Additional Coordination Efforts Needed for Complete Project Planning

The Chicago Refugee Demonstration project encountered initial difficulties in achieving agreement on roles and procedures among public and private agencies. Details for implementing the project had not been developed at the time of Department of State approval for funding in September 1985. Department officials noted that while a delay in committing fiscal year 1984 funds might have allowed time to ensure a more thorough project design, the availability of fiscal year 1985 funds might not have been confirmed until late in that year and the momentum behind the initiative lost.

The Illinois state refugee coordinator, at the time of project approval, expressed concerns that while he supported the project and its intent to foster earlier refugee employment, important policy and procedural issues needed to be resolved. These issues concerned basic client rights and the relationship of the project to ORR funded programs. They included the need for guidelines specifying principles of income maintenance and budgeting, refugee employment plans, notification to the

state of clients enrolled on welfare, separate accounting for VOLAG staff time between project activities and those funded by ORR, and a significant role in the project for refugee associations.

In September 1984 Chicago refugee community leaders who had not been involved in planning the project and who represented organizations that held contracts under the ORR-funded resettlement program administered by Illinois voiced concerns over

- the adequacy of provisions for health care;
- control over cash assistance sanctioning and refugee rights of appeal;
- the continuation of services to refugees deemed unemployable; and
- the effect of the project on the refugee organizations, their efforts at refugee community development, and their role under existing ORR-funded contracts.

The state refugee coordinator in October 1984 noted he would need a detailed statement of policies and procedures in order to support the income maintenance procedures proposed for the project. To oversee the project and to resolve the issues which had been raised, the VOLAGs formed a Program Review Committee which also included representatives of MAAs, the Department of State, the Illinois refugee coordinator, the regional office of ORR, and others. In January 1985 the coordinator noted that a VOLAG-drafted memorandum of understanding and recommendations for interfacing with ORR-funded programs were not sufficiently detailed and that a project work plan with specific policies and procedures was needed. In March 1985 a more detailed project work plan was issued to guide project implementation.

On March 29, 1985, the Department approved an extension of the project to March 31, 1986, to serve refugees arriving through September 1985. An additional extension was approved in September 1985 to cover refugees arriving before December 31, 1985, but it retained the March 31, 1986, termination date due to a $2-million cap on such funding in the authorizing legislation. The last extension was to provide for a phase down or potential transition of the project to other funding sources—in particular to give the VOLAGs sufficient opportunity to submit a proposal to ORR to convert the project to a Wilson/Fish demonstration project in time for an April 1, 1986, implementation date. The VOLAGs did not submit such a proposal and services to refugees under the project were terminated as of March 31, 1986.

In response to a VOLAG proposal to include Chicago as one of several locations in a subsequent demonstration project, ORR noted in November 1986 that such a project would disrupt a competitively established, complex, and reasonably effective system. ORR said that refugees under the existing program were receiving employment services with some success through an MAA under a competitively awarded contract. As a consequence, the Chicago portion of the proposed project was turned down by ORR.

Evaluation Cites Positive Results

For the Chicago project, the goal was to place 75 percent of the employable refugees in jobs within 6 months of their arrival. The 75-percent goal was based on a similar employment rate achieved under a previous demonstration project that was operated by one VOLAG in Chicago.

The Chicago project fell short of the 75-percent goal but still represented an improvement over the prior program, according to a evaluation of the project done for the State Department. Data maintained by the VOLAGs showed that 360 of the 774 employable refugees (47 percent) who entered the project between November 1984 and September 1985 were placed in jobs within 6 months of arrival. Placement performance among the six VOLAGs ranged from 8 to 65 percent. Project expenditures by the VOLAGs totaled $2,561,798 from November 1984 through March 1986.

The contract evaluation of the project noted that 62 percent of the employable refugees in the project between January 1 and June 30, 1985, were employed at some point during the first 6 months in the project. Six months after arrival 43 percent (135 of 316) of the refugees who remained employable and in Chicago were working.

The evaluation further noted that by comparison with refugees who had arrived a year earlier and were aided by the same VOLAGs, under the project

- 24.3 percent more refugees got jobs;
- 21.1 percent more refugees had jobs at the end of 6 months; and
- 17 percent fewer families were dependent on welfare or on the VOLAGs at the end of 6 months.

The evaluation estimated that, because of lower costs for income support, medical support, and higher welfare savings due to increased employment, the net public costs per employable refugees under the

project was about $1,860 compared with about $2,298 for the previous arrivals.

The project's increased services (job referrals, monitoring, and follow-up) were cited as major factors affecting employment and savings, and the evaluation concluded that the project resulted in less costs and more benefits than the prior resettlement of a comparable group of refugees.

Limited Progress in Developing New Projects

Neither the Department of State nor HHS has approved any new projects in over 2 years. The State Department has supported only the Chicago project and Department officials have noted that they have no current plans to initiate any new projects due to a lack of funds. The Department of State can fund such projects only from the regular per-capita grant reception and placement program. Since the implementation of ORR's formal procedures for reviewing and approving demonstration project applications in June 1985, 11 proposals have been received but no new projects have been approved.

There are several probable causes for this status. Projects must be funded within existing budgetary limits, giving little incentive for states to propose projects requiring additional funds to deliver more training and other services to employable refugees. Also, most non-state applicants have not submitted proposals in sufficient detail to meet ORR's rigorous approval criteria. There has been little coordination between non-state sponsored applicants and state coordinators and existing service providers under state-administered programs in developing such proposals. These parties often have competing interests at stake in any proposed changes in roles and responsibilities—a competition which is accentuated by the absence of additional funds. State coordinators have a central role, in fact and by law, in coordinating public and private resettlement efforts in their respective states and could assist non-state applicants in developing proposals which would meet ORR's criteria.

An ORR working group has recommended that ORR study the application process, taking into account the problems that private as well as state agencies have had so far in proposing new projects. Given the experience of the State Department-funded Chicago project and the authority of the Department to fund future projects, such a study could have implications for that agency as well.

No New ORR Projects Started

No new projects were approved in the 2 years between June 1985 (when ORR announced its formal process for reviewing project proposals and its willingness to fund up to 9 projects in any 1 year), and June 1987. ORR judged all 11 preapplications (the first step in the process) as deficient in several areas and termed the response to the announcement for project proposals as disappointing. ORR did approve 2 of 11 preapplications for development into full applications—one in December 1985 and the other in November 1986. By September 1987 one VOLAG had withdrawn its application stating that it needed more funds to develop its proposal and the other postponed submitting its application until funding support

in addition to the level provided for the existing state-administered program could be obtained. A decision on a third preapplication was deferred in November 1986, pending revision and resubmission by the applicant.

Our review of the ORR applications review process and preapplication data also shows that there has been insufficient coordination and consultation among most of the applicants and other key participants in refugee resettlement, including VOLAGs, service providers, MAAs, local governments, and state agencies—including state coordinators. We also found that non-state government applicants (primarily VOLAGs) perceive the process as weighted against their proposals, because if approved they would alter the current state-administered program. An internal working group has recommended that ORR study the Wilson/Fish application process to determine how it might be modified, taking into account the problems experienced thus far by states, VOLAGs, refugee groups, and other interested parties.

The ORR Review Process

ORR formally announced the application and review process on June 11, 1985, which included a preapplication process (to screen out proposals which have little or no chance for funding) and set forth the criteria that would be used to judge the proposals.

Preapplications are reviewed by a panel of experts (two from outside of the government and a third from HHS) and by ORR headquarters and regional staffs. A decision memorandum is then prepared incorporating their comments and is forwarded to the Director of ORR for a final decision. The reasons for that decision are then included in a letter to the applicant.

If the preapplication is approved, the applicant is invited to develop a full application. This, however, does not mean that final approval will be automatic. Although project applications undergo basically the same review process as preapplications using similar criteria, they are expected to be much more specific than preapplications. Final decisions on funding are to be made by the Director of ORR.

Reasons for Proposal Decisions

The major categories of criteria set forth in the ORR announcement for judging proposals were (1) completeness and feasibility of the proposed project, (2) inclusion of a monitoring and evaluation plan, and (3) adequate budget and fiscal data. These categories contain a total of 21 specific criteria. We reviewed each of the letters of notification and other documentation to determine whether the proposals met ORR's major criteria. Because we found that consultation and coordination among public and private resettlement agencies were important to the planning and implementation of the Portland and Chicago projects, we paid particular attention to those specific criteria. They are defined as

- the extent to which an applicant has coordinated proposed activities with other participants in refugee resettlement, such as VOLAGs, service providers, MAAs, state agencies, and local governments; and
- evidence that the applicant has consulted with the state refugee coordinator or local agency and has solicited and included their comments, if provided.

The notification letters did not uniformly address all the specific criteria set out in the announcement or indicate their relative importance. The deficiencies cited in the letter to each applicant notifying them of the ORR Director's decision are identified in table 3.1.

Table 3.1: Frequency and Type of Deficiencies Cited in ORR Notification Letters

Number of Preapplications	Deficiency
11	Incomplete and/or not feasible
11	Unsatisfactory monitoring and evaluation plan
9	Insufficient budget and fiscal data
8	Need for coordination with other participants
3	Lack of consultation with state coordinator

Coordination with other participants was cited as deficient in 8 of the 11 cases; in 1 of 3 state preapplications and in 7 of the 8 non-state preapplications. The lack of consultation with state coordinators was cited in only three cases, but it was not always clear from the notification letters whether a deficiency in coordination with other participants (which includes state agencies) was also meant to reflect a deficiency in consultation with state coordinators. None of the eight non-state preapplications we reviewed contained any written comments from state coordinators (or applicable local governments), which are supposed to be included if provided. In only three cases were prior discussions held with state coordinators. In two of those cases the applicants stated that

the preapplication was submitted to the state coordinator at the same time rather than before it was submitted to ORR.

Difficulty of Changing Roles and Responsibilities in a Budget Neutral Program

The ORR application review process indicates the difficulty that an alternative project faces in a budget-neutral environment if existing agency roles and responsibilities are changed as a result of the alternative approaches.

ORR issued a draft program notice of the demonstration project program for public comment in February 1985. Comments received by ORR on the notice paralleled some of the problems that applicants subsequently encountered, including difficulties in meeting coordination requirements and in clarifying the roles and responsibilities of the participants in resettlement programs. ORR did not require the states to approve the projects, as some had suggested, but did require non-state applicants to involve state agencies and state refugee coordinators in their planning.

Concern was also expressed that a state's ability to plan the social service delivery system and to contract for services would be hampered if ORR decreased a state's funding for those purposes in order to fund the demonstration projects. ORR responded that it did not intend to reduce a state's funding for social services in order to fund the demonstration projects. The requirements for applicants to consult and coordinate with the states would allow state authorities to assist potential applicants in developing proposals which would not conflict with existing state service contracts. On the other hand, projects could change the allocation of social service funding within a state even though the projects are supposed to be budget-neutral with no additional funds provided. As such, applicants who propose to change the roles and responsibilities of existing state service providers could affect their level of funding and, as a consequence, their level of staffing and other capabilities to service refugees. Reasons for ORR rejecting proposals from non-state applicants, primarily VOLAGs and MAAs, have included applicants proposing to displace existing service providers without what the ORR reviewers considered as adequate justification. These existing service providers include state and local agencies, MAAs, and VOLAGs who hold grants or contracts awarded on the basis of past performance and/or competition.

In reviewing one preapplication proposal, ORR officials noted that the case management and employment services would replace existing services but at higher cost. The state, therefore, would have to divert funds from other state refugee resettlement efforts to fund the project—a

change which could only be made if the state could be certain that its costs associated with refugee programs would ultimately be reduced as a result of the project.

Even though the Chicago project was separately funded by the State Department, its impact on existing service providers was also a concern at the outset. ORR-funded, performance-based employment service contracts were awarded by the state on a competitive basis to VOLAGs and MAAs just prior to the implementation of the State Department demonstration project. One MAA official in Chicago informed us that initially MAAs were concerned that the demonstration project would limit the number of participants available to meet the performance standards in their state contract. Because all newly arrived refugees were to receive employment services from the VOLAGs for up to 6 months under the State Department project, the MAA would be able to provide employment services only to those refugees who had arrived prior to the project or had failed to find a job after 6 months with the project.

ORR officials noted that they wish to promote sound alternative approaches to refugee resettlement, which means these approaches must be well planned and any proposed change in roles and responsibilities well justified. ORR officials added that some non-state sponsored applicants believe that ORR is not receptive to their proposals and is overly concerned with maintaining the present state-administered program. This belief may be reinforced by a record which shows that (1) the two ORR demonstration projects implemented to date have both been state-sponsored projects (albeit approved prior to the issuance of ORR's formal review process) and (2) only one of eight non-state sponsored preapplications was approved to continue planning toward a formal application. This latter application was withdrawn because the applicant desired a higher level of funding for planning than ORR was willing to approve.

The State Coordinator Dilemma

State refugee coordinators are by law (8 U.S.C. 1522) responsible for the overall coordination of public and private refugee resettlement resources in their states. State coordinators are specifically responsible for administering the system of payments, income eligibility requirements, case management, and service delivery systems within their states through legislation, regulations, or grants and contracts. Consequently, they play a central role in implementing any project, whether it is run by the state directly or through VOLAGs and MAAs or other parties.

In the ORR application process for demonstration projects, however, it is ORR policy not to directly solicit the views of state coordinators on non-state-sponsored preapplications in order to avoid a potential bias in the review process. For example, one project proposed by a VOLAG would have replaced cash assistance provided normally through the county welfare department. Despite this impact, ORR declined the state refugee coordinator's efforts to become more involved in reviewing the proposal due to concern that the impartiality of the approval process might be compromised. ORR does require such applicants to consult with state coordinators, although it does not require that the coordinators respond in writing to the applicants. As noted earlier, none of the non-state-sponsored preapplications included written comments from state coordinators or assurances from applicants that state coordinators had been fully consulted. Therefore, while potential bias may be avoided, ORR has no assurance that the views of the official responsible for the design, approval, and oversight of the existing state-administered program are taken into account. Just what the role of the states should be in reviewing demonstration project proposals is a question also raised by an internal ORR working group.

Proposed ORR Study of Review Process

In July 1986, the Director of ORR established a "policy and planning workgroup" to review the resettlement program and requested it to provide a guide for ORR for the next 3 years by identifying critical issues and priorities requiring action and resources. The group included members from key sectors of the resettlement community—state coordinators, MAAS, VOLAGS, and ORR headquarters and regional office staffs. It examined overall program and policy issues and made recommendations which included placing priority on ORR working with states which have a large percentage of refugees on welfare, studying options on medical coverage, improving program management, and establishing a continuous planning workgroup.

One of the recommendations made by that group was that ORR examine the past year's experience with the development and review of demonstration project proposals to identify how the process might be improved, taking into account the problems experienced thus far by ORR, states, VOLAGS, and others.

As a basis for its recommendation, the group's report noted that the disapproved preapplications were "poor in quality and/or not responsive to the program announcement." The group also raised questions about the program notice and the review process including, but not limited to,

(1) the role of states in approving demonstration project applications, (2) whether ORR should limit proposals to those applicants who propose comprehensive alternatives to the provision of cash and/or medical assistance rather than a "services only" (i.e., case management, employment services, training, etc.) project, (3) whether ORR should play a more active role in describing the models it would like to see demonstrated along with specific hypotheses to be tested, and (4) whether ORR should allow more than one demonstration project to operate in a state. ORR officials informed us that such a review would take place only after decisions had been made on proposals already submitted.

Conclusions

The California, Portland, and Chicago demonstration projects have shown varied progress in pointing up alternative approaches to fostering refugee self-sufficiency. They have also shown that the level of coordination among federal, state, and private agencies is important to achieving agreements on the details of the policy and procedural plans for project implementation.

No new projects have been approved by either the Department of State or HHS in over 2 years. The fact that demonstration projects must be funded within existing budgets for refugee reception and resettlement limits the extent to which either the Department of State or HHS can initiate new projects. The Department of State can fund such projects only within the budget of its regular per-capita grant reception and placement program. Such funds have not been available. The similar lack of additional funds for demonstration projects under the ORR program limits any incentive for states to propose new projects. Without financial incentives to cover the greater expenses inherent in initially changing state-administered programs in order to increase services, the number of new initiatives is unlikely to reach the level which ORR stated that it would be willing to fund—up to nine per year.

The federal role appears to support alternative approaches but cannot readily do so unless the often competing views of federal, state, and local governments, and VOLAG's and refugee associations are resolved. The California, Portland, and Chicago projects demonstrate both the difficulty and importance of achieving agreement on the detailed design of implementing policies and procedures. In California, state and ORR officials disagreed over project objectives and criteria for evaluation. In Portland, state and local public and private agencies agreed upon the

projects' objectives, built upon their prior experiences and, while changing their roles and responsibilities, did not exclude existing service providers from the project. In Chicago, extra efforts at coordination among public and private agencies were required to reach agreement on policies and procedures and to overcome the concerns of service providers not directly included in the project.

There has been a lack of coordination and consultation among private and public agencies in reaching agreement on the detailed design of projects proposed to ORR for funding. Those who propose these demonstration projects and the participants in the existing ORR refugee resettlement program have vital interests at stake regarding grant and contract funding and differing views on what their roles and responsibilities should be in the resettlement process. Therefore, ORR needs to assure that the respective views of private and public agencies are taken into account and agreements are reached in the detailed design of these projects prior to their approval and implementation. State coordinators, in fact and by law, have a key role in coordinating public and private resettlement efforts in their respective states. They should assist in the process if more project proposals are to meet what ORR has described as the rigorous criteria of the project approval process.

An internal workgroup has recommended that ORR evaluate its process for the approval of new demonstration project proposals, taking into account the problems experienced thus far by ORR, state governments, VOLAGs, and others in developing proposals which are responsive to ORR's criteria. Such a review could also have implications for the Department of State because, as was demonstrated in the Chicago project, the project sponsored by one agency can affect the program of the other and requires strong efforts at coordination to develop detailed policy and procedural guidance for implementation.

Since evaluations of the California and Portland projects are incomplete, it may be too early to be concerned that no additional projects for alternative refugee resettlement have been funded. If these ongoing projects are ultimately deemed to be successful, then disincentives for new projects should be addressed.

Agency Comments

Comments were received from the Departments of State and HHS and from the state refugee coordinators for California, Illinois, and Oregon. The comments were generally technical in nature and, for the most part, were incorporated into the final report. The Departments of State and

HHS and the refugee coordinator for Illinois provided written comments. (See apps. I, II, and III.)

Comments From the Department of State

Note: GAO comments supplementing those in the report text appear at the end of this appendix.

United States Department of State

Washington, D.C. 20520

December 9, 1987

Mr. Conahan:

I am replying to your letter of November 6, 1987 to the Secretary which forwarded copies of the draft report entitled Refugee Program: Status of Early Employment Demonstration Projects (GAO Code 472094).

The enclosed comments on this report were prepared in the Bureau for Refugee Programs.

We appreciate having had the opportunity to review and comment on the draft report.

Sincerely,

Roger B. Feldman

Roger B. Feldman
Comptroller

Enclosure:
As stated.

Mr. Frank C. Conahan,
Assistant Comptroller General
National Security and
International Affairs Division,
U.S. General Accounting Office,
Washington, D. C. 20548

GAO DRAFT REPORT: Refugee Program: Status of Early Employment Demonstration Projects

The Department of State, in response to the GAO draft report entitled - "Status of Early Employment Demonstration Projects", is pleased to provide its comments on the section of the report pertaining to the demonstration project which was funded by the Department of State. The Department of State agrees with the GAO that the Chicago Demonstration Project, like the demonstration projects of California and of Oregon, was intended to improve self-sufficiency through early refugee employment. The Department of State offers the following comments to the draft report for your consideration. We believe these points will clarify or expand certain sections of the draft report specifically dealing with the demonstration project funded by the Department of State.

EXECUTIVE SUMMARY

Now on p. 4.
See comment 1.

On page 8, in the section titled "No New Projects", the Department of State suggests the first point should be deleted since the Department is unaware of the limitation cited concerning its authority to fund demonstration projects during Fiscal Years 1985 and 1986.

Now on p. 5.
See comment 2.

On page 10, section titled "Recommendations", the Department of State believes it is somewhat misleading to imply that this report addresses the entire reception and placement activity. Rather, we suggest the recommendation read:

"This report provides GAO's analysis of the refugee demonstration projects initiated in fiscal year 1985. It does not contain any recommendations."

CHAPTER 1

Now on p. 8.
See comment 3.

On page 13, the Department of State suggests the following amendments to the Background section:

"Reception and placement is the initial domestic effort in the process of assisting refugees to resettle in the United

States and is carried out by private voluntary agencies, working under the Bureau for Refugee Program's Reception and Placement Cooperative Agreement. According to Section 1.1 of the agreement, the voluntary agencies are to comply with the purpose and goals of the program which state:

"a. The purpose of this agreement is to provide for the initial reception and placement of refugees in the United States by ensuring that refugees approved for admission are sponsored and offered appropriate assistance in their initial resettlement in the United State.

b. The goals of this agreement include, but are not limited to, assisting refugees in achieving economic self-sufficiency through employment as soon as possible after their arrival in the United States in coordination with publicly supported refugee service and assistance programs, and precluding any necessity for reliance by refugees on cash assistance authorized under section 412 (e) of the INA during the first thirty days that they are in the United States."

A voluntary agency shall provide core services to any refugee assigned to it during the first ninety (90) day period after the refugee's arrival in the United States. The exception to this time period is the provision of basic needs support such as housing, food, furniture, clothing, and transportation to job interviews for which the voluntary agency is responsible for a period of not less than thirty (30) days after arrival. Longer term assistance is available to refugees under programs.....and other public and private organizations."

See comment 4.

On page 15, the Department of State suggests the first sentence of the first paragraph should read:

"The initial reception and placement of refugees is administered by the Bureau for Refugee Programs in the Department of State under cooperative agreements with eleven VOLAGS and one state (Iowa)."

CHAPTER 2

Now on p. 18.
See comment 5.

On page 24, the Department of State suggests deleting the next to last sentence on the page which states "Because these policy and procedural problems could not be resolved in a timely manner, the project was terminated". We believe this

statement to be inaccurate. Our reasons for termination of the project are more appropriately and accurately reflected elsewhere in the report.

Now on p. 27.
See comment 6.

On page 39, in the last paragraph, the Department of State suggests the first sentence read:

"In the Chicago project, the Department of State's Bureau for Refugee Programs administered the project through the Volags' Program Review Committee."

Now on p. 27.

On page 40, the Department of State suggests that the GAO consider:

Now on p. 28.
See comment 7.

1. Adding the entire last paragraph presently on page 42 to the end of the section entitled "Chicago Project". The paragraph reads: "On March 29, 1985, the Department approved an extension of the project .....submit such a proposal and services to refugees under the project were terminated as of March 31, 1986"; and

2. Changing the first sentence under the section "Additional Coordination Efforts Needed for Complete Project Planning" to read: "The Chicago Refugee Demonstration Project encountered initial difficulties in defining roles and procedures among public and private agencies".

Now on p. 28.
See comment 8.

On page 41, the Department of State suggests the first sentence of the last paragraph be changed by deleting the last part of the sentence since we consider it to be inaccurate. We suggest the sentence should read:

"The state refugee coordinator in October 1984 noted he would need a detailed statement of policies and procedures."

Now on p. 28.
See comment 9.

On page 42, the Department of State suggests moving the last sentence of the first complete paragraph to the top of the page. It would then read:

"...interfacing with ORR-funded programs were not sufficiently detailed and that a project work plan with specific policies and procedures was needed. In March 1985 a more detailed project work plan was issued to guide project implementation."

Now on p. 28.

On page 42, the Department of State suggests the first complete sentence should read:

"To oversee the project and to resolve the issues which had been raised, the VOLAGS formed a Program Review Committee which included.....and others."

Now on p. 29.
See comment 10.

-4-

On page 43, the Department of State suggests deleting the entire first paragraph as we do not consider this paragraph to be relevant to the section titled "Additional Coordination Efforts Needed for Complete Project Planning".

Thank you for the opportunity to comment on the draft report. If your office has any questions regarding the Bureau's response, please do not hesitate to call upon us.

Jonathan Moore
Director
Bureau for Refugee Programs

The following are GAO's comments on the Department of State's letter dated December 9, 1987.

1. This language has been revised to more accurately describe the funding limitations on the Department in initiating demonstration projects and to eliminate any implication of a limitation on the Department's authority to fund such projects in fiscal years 1985 and 1986.

2. We did not intend to imply that the report covered the entire reception and placement program and have changed the wording accordingly.

3. We have incorporated the Department's suggested language on page 9 where we discuss the reception and placement program in greater detail.

4. The current number of VOLAGS with cooperative agreements has been placed in the text along with the number holding such agreements in fiscal years 1985 and 1986.

5. We agree that the reason for terminating the project is more accurately reflected elsewhere (p. 28) in the report. Rather than deleting the sentence we have revised it per the comments of the Illinois Department of Public Aid.

6. We have added language to clarify that the committee referred to was the Program Review Committee.

7. We have arranged the text to more accurately reflect the sequence of events described under the heading "Additional Coordination Efforts Needed for Complete Project Planning". We believe, however, that difficulties encountered by the project in defining roles and procedures reflected difficulties in achieving agreement on those matters among the public and private agencies involved.

8. In December 1987, we clarified with the Illinois State Refugee Coordinator the reason for his requesting a detailed statement of policies and procedures. We have incorporated that language in the text.

9. As noted under GAO comment 7 above, we revised this text.

10. We believe this paragraph is relevant to this section as it indicates that planning for demonstration projects should take account of existing systems established on a competitive basis.

Comments From the Department of Health and Human Services

Note: GAO comments supplementing those in the report text appear at the end of this appendix.

DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

DEC 18 1987

Mr. Richard L. Fogel
Assistant Comptroller General
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Fogel:

The Secretary asked that I respond to your request for the Department's comments on your draft report, "Refugee Program: Status of Early Employment Demonstration Projects." The enclosed comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

We appreciate the opportunity to comment on this draft report before its publication.

Sincerely yours,

for Richard P. Kusserow
Inspector General

Enclosure

See comment 1.

Now on pp. 9 and 10.

COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES ON THE U.S. GENERAL ACCOUNTING OFFICE'S DRAFT REPORT, "STATUS OF EARLY EMPLOYMENT DEMONSTRATION PROJECTS"

General Comment

Because the above referenced report consists simply of an analysis of the refugee reception and placement program and contains no GAO recommendations, our response has been confined to the following technical comments.

GAO Analysis (p. 18, 2nd par.)

"ORR has been responsible for the majority of federally funded programs which provide refugees with cash and medical assistance as well as social services emphasizing language and job training and placement for up to 18 months." (Underscoring added)

Department Comment

The Office of Refugee Resettlement (ORR) does not currently impose a limit on the length of time for which refugees may receive federally-funded social services. The formula that ORR uses to allocate social service funds to States--which is now in the statute as a result of the 1986 Amendments--takes into account refugees who have arrived in the U.S. over a 36-month period, but a time limit has not been placed on receipt of these services.

Cash assistance for AFDC-eligible and SSI-eligible refugees is fully federally reimbursed for 31 months. That is, the refugee program reimburses the State for its share of AFDC and for SSI State supplementary payments. Needy refugees who do not qualify for cash assistance under the AFDC or SSI programs may receive special cash assistance for refugees. This assistance, termed "refugee cash assistance" (RCA), is available for up to 18 months after the refugee arrives in the U.S. ORR also reimburses States for general assistance provided to refugees during the following 13 months.

The State share of Medicaid costs incurred on a refugee's behalf during his or her initial 31 months in this country is reimbursed by ORR. Refugees who meet the financial requirements, but not the categorical requirements of Medicaid may receive refugee medical assistance for up to 18 months. This assistance is provided in the same manner as Medicaid is for other needy residents.

Suggested language: Federal resettlement assistance to refugees is provided by ORR primarily through a State-administered refugee resettlement program. Special reimbursement is provided to States for up to 31 months for refugees in the AFDC, Medicaid, and SSI programs, and for up to 18 months for needy refugees who do not qualify for AFDC or Medicaid. ORR also reimburses States for the cost of providing general assistance to refugees for up to 13 months after a refugee's initial 18 months in the U.S. While ORR allocates social services funds based upon the number of refugees in the State who have arrived in the U.S. during the previous 3 years, no Federal time limit has been placed on receipt of services.

Now on p. 10.

GAO Analysis (p. 18, 3rd par.)

"ORR also provides funds to the Public Health Service for refugee health screening and to the Department of Education for special education services to refugee children." (Underscoring added)

Department Comment

As of FY 1987, ORR's budget no longer includes funds for the Department of Education for special education services to refugee children.

Suggested language: Omit underlined language and end sentence after the word "screening."

Now on p. 17.

GAO Analysis (p. 23, 2nd par.)

"The project in California was to demonstrate how refugee self-sufficiency could be enhanced by removing a perceived disincentive for earlier employment--specifically, by not reducing a cash assistance benefit when a refugee works more than 100 hours each month." (Underscoring added)

Department Comment

If a refugee in the AFDC-unemployed parent (AFDC-UP) program worked more than 100 hours, his cash assistance would be terminated, not reduced.

Suggested language is underscored: "The project in California was to demonstrate how refugee self-sufficiency could be enhanced by removing a perceived disincentive for earlier employment -- specifically, by not terminating a cash assistance benefit which occurs when a refugee in the AFDC-Unemployed Parent Program works more than 100 hours each month."

Now on p. 17.

GAO Analysis (p. 23, 2nd par.)

"However, California and ORR had not reached agreement on how to measure the results of the project and thus the means to gather data on results was not clear and the utility of data reported to date is questionable."

Department Comment

The dispute with California on data collection preceded and was not related directly to the demonstration project. One of the data elements that the State traditionally failed to report in its quarterly performance reports was the number of refugees who were terminated from cash assistance during the quarter because their earnings exceeded the need requirement for receipt of cash assistance, i.e., the number who had become self-sufficient. This was also the source of disagreement for reporting and judging performance under the demonstration project. We do not think, however, that this implies that the means to collect data was unclear or that the utility of data reported is questionable.

Suggested language: ORR wanted one of the performance measures for the project to be the number of refugees who became self-sufficient. The State disagreed with this and proposed instead that performance be judged by the number of refugees who became employed.

Now on p. 18.

GAO Analysis (p. 25, 3rd par.)

"The California project removed supposed cash assistance barriers to employment in the AFDC program and required that refugees participate in services and accept job offers as a condition of continuing assistance. Under AFDC rules, refugees who work more than 100 hours per month lose their eligibility for cash and medical assistance. ...It is the removal of this AFDC employment disincentive, and its effect on refugee employment and self-sufficiency, that the California project was primarily designed to test."

Department Comment

Only refugees in the AFDC-UP program automatically lose their benefits if they work more than 100 hours. Single-parent AFDC families, who are also included in the demonstration, may work more than 100 hours without automatically losing their benefits.

In ORR's view, one of the primary benefits of the California demonstration is that it required that AFDC-eligible refugees participate in refugee-specific services on a mandatory basis. If they failed to participate without good cause, they would be sanctioned. Prior to the project, AFDC-eligible refugees were referred to the WIN program, the same as other AFDC recipients. However, AFDC-recipient refugees were usually "banked" in an unassigned pool of recipients and were not required to participate in employment programs.

Suggested language: The California project made several changes in the way AFDC refugees were served. First, it required that AFDC-recipient refugees be referred to refugee-specific employment services. If these refugees failed to participate without good cause, they would be sanctioned. Prior to the project, AFDC-recipient refugees were registered in the WIN program, but were generally not required to participate in employment-related services. In the project, participation was required and outcomes increased. Secondly, the demonstration project removed supposed cash assistance barriers to employment in the AFDC program and required that AFDC-eligible refugees participate in services and accept job offers as a condition of continuing assistance. Under AFDC rules applicable to unemployed parents with dependent children, refugees who work more than 100 hours per month lose their eligibility for cash and medical assistance. This perceived disincentive was also removed.

Now on p. 20.

See comment 2.

GAO Analysis (p. 28, 3rd par.)

"ORR and California officials continued to disagree on the use of specific goals for the second year of the project. In June 1986, ORR officials notified California that it would require quarterly estimates of the number of project recipients expected to achieve economic self-sufficiency (be removed from cash assistance) for July 1, 1986 through June 30, 1987."

Department Comment

ORR had been asking for these estimates since the start of the project in 1985. This paragraph leads the reader to believe that specific goals and estimates were a new requirement as of June 1986, which is not true.

Suggested language: Omit paragraph.

Now on p. 20.

See comment 3.

GAO Analysis (p. 29, 1st par.)

"California officials responded ...."

Department Comment

Now on p. 20.

This paragraph essentially reiterates the points made in the second paragraph on p. 28.

Suggested language: Omit paragraph.

Now on p. 20.

GAO Analysis (p. 29, 2nd. par.)

"ORR regional officials, at that time, noted that while they found it encouraging that California acknowledged a need to look beyond job entry and to focus on self-sufficiency as a program goal, they were disappointed that California indicated a continued reluctance to have the project evaluated against that goal, and were also concerned about the continued lack of reliable self-sufficiency data."

Department Comment

This paragraph refers to an internal ORR memorandum. This information was not communicated in this form to the State.

Suggested language: Omit paragraph or include the following underscored phrase: "ORR regional officials, at that time, noted in an internal office memorandum ..."

Now on p. 20.

See comment 4.

GAO Analysis (p. 29, 3rd par.)

"ORR, rather than leaving the project unchanged from its original design and waiting for the results, believed that changes would have to be made to the project if it was to have a significant effect on refugee self-sufficiency."

Department Comment

This suggests that ORR believed that the basic principles or design of the project should be changed after the project was approved. This is not the case. What ORR was trying to convey to California was that it was necessary to closely manage a demonstration project. Therefore, ORR officials thought that California should closely monitor the project and if process, procedural, or communication problems were found, every effort should be made to facilitate change to help the project reach its goals.

Suggested language: ORR believed the project should be closely monitored/managed by California and that changes in implementation should be made if determined necessary and appropriate to enhance prospects for a significant effect on refugee self-sufficiency.

Now on p. 26.

GAO Analysis (p. 39, 2nd par.)

"ORR had also been contacted on the project but said it could not fund it."

Department Comment

ORR did not reject the Chicago project. As it was presented, ORR thought that the proposal needed further development. A complete application was never formally submitted to ORR.

Suggested language: ORR had also been contacted on the project, but said that it was unlikely that it would be approved by the Director without further development. A formal detailed application would also have to be submitted.

Now on p. 37.

GAO Analysis (p. 57, 1st par.)

"ORR officials informed us that such a study would take place only after decisions had been made on proposals already submitted." (Underscoring added)

Department Comment

We believe that the word "study" connotes a more formal and lengthy review than was suggested by the work group. It was our intention to have staff informally review the process and announcement to see if the process could be improved upon.

Suggested language is underscored: ORR officials informed us that such a review would take place only after decisions had been made on proposals already submitted.

GAO Comments

The following are GAO's comments on the Department of Health and Human Services' letter dated December 18, 1987.

1. Except where otherwise noted, we have made editorial changes to reflect these technical comments.

2. As we note in the text, ORR and California officials continued to disagree on the use of specific goals. We have revised the paragraph to further clarify that this was not a new disagreement or new set of requirements.

3. We believe this paragraph explains the response of California officials to the continuing disagreement with ORR and have retained the text as originally stated.

4. We have revised this paragraph and included comments provided orally by California officials noting that they and ORR remained in agreement on the goals of the project. State officials also noted that the disagreement at that time was over strategies to achieve these objectives and that they have since adopted many of the suggestions made by ORR.

Comments From the Illinois Department of Public Aid

Note: GAO comments supplementing those in the report text appear at the end of this appendix.

Edward T. Duffy
Director

Illinois Department of Public Aid

Jesse B. Harris Building
100 S. Grand Avenue East
Springfield, Illinois 62762

November 30, 1987

Frank C. Conahan
Assistant Comptroller General
U.S. General Accounting Office
Washington, D.C. 20548

ATTENTION: Thomas J. Schultz RE: Draft Report
Refugee Program
Early Employment Demonstration Projects

Dear Mr. Conahan,

Thank you for your letter of November 6 to Edwin Silverman and the opportunity to review the Draft Report on the three Refugee Program Early Employment Demonstration Projects. In general, the Report presents a thorough and accurate accounting of the Chicago Resettlement Demonstration Project (CRDP) from a governmental perspective.

Now on p. 18.

In the interest of accuracy we request that one sentence be re-worded: page 24, end, line 5 from bottom ("Because these policy ... terminated"). The project was terminated because it was a time-limited Demonstration Project and the Department of State withdrew funding after 18 months. We recommend the following: "Because these policy and procedural problems were not resolved in a timely manner, optimum demonstration of the service model did not take place."

See GAO comment.

The Report raises major unresolved issues regarding the Refugee Resettlement Program, including the role of ORR as juxtaposed to the Department of State, the role and responsibility of state coordinators, and, implicitly, what constitutes effective resettlement. In spite of its imperfections, the Chicago Resettlement Demonstration Project was successful in increasing early employment and in realizing cost benefits. More important, it demonstrated that with enhanced staffing for reception and placement activities, local resettlement agencies can more effectively fulfill their responsibilities under the Department of State Cooperative Agreement. Improved, upfront reception and placement would reduce longer term welfare costs for the state and federal governments.

We hope the Report will receive the thoughtful attention it merits.

Sincerely,

Roger J. Mills, Chief
Bureau of Naturalization Services
Division of Social Services

RJM:EBS:clr

cc: Edwin Silverman
Gene Niewoehner

The following are GAO's comments on the Illinois Department of Public Aid's letter dated November 30, 1987.

We agree that major unresolved issues remain regarding the Refugee Resettlement Program, including the role of ORR as juxtaposed to the Department of State, the role and responsibility of state coordinators, and what constitutes effective resettlement. As we note in our conclusion, the demonstration projects have shown that the level of coordination among federal, state, and private agencies is important to achieving agreements on the details of policy and procedural plans for implementation.

*U.S. G.P.O. 1988-201-749:60236

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